

# NEW COURSES OF THE COMMON AGRICULTURAL POLICY (CAP)

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## **Key words**

Common Agricultural Policy (CAP), agricultural subsidies, direct payments, reforms of CAP, decoupling, cross-compliance

## **Origin and History of the Common Agricultural Policy**

The Common Agricultural Policy has been the basic pillar of the European integration already from the beginning of the European Economic Community (EEC). Already in the Treaty of Rome about establishment of the EEC there are included general targets of the Common Agricultural Policy and are also outlined the instruments, by which the existing targets are to be reached.

### *„Article 33*

*1 The objectives of the common agricultural policy shall be:*

- a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;*
- b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;*
- c) to stabilise markets*
- d) to assure the availability of supplies*
- e) to ensure that supplies reach consumers at reasonable prices*

### *Article 34*

*...In order to attain the objectives set out in Article 33, a common organisation of agricultural markets shall be established....*

*...In order to enable the common organisation referred to in paragraph 1 to attain its objectives, one or more agricultural guidance and guarantee funds may be set up....“ [1]*

## **The Critical Reforms of the CAP**

The efforts to improve the Common Agricultural Policy and to upgrade its targets proceeded already from the very beginning. The first attempt at the reform is from the end of the sixties of the 20<sup>th</sup> century. It concerned the Mansholt's plan, but it failed. The reform from the year

1992 focused on decrease of support prices on cereals, beef and milk, the support of early retirements, the support of alternative incomes at countryside and so on. The reform from the year 2003 was adopted at EU summit on the 26<sup>th</sup> June 2003. Generally it focused especially on the support of the quality against previous quantity approach and in particular in the area of the environment, the consumers' health and the living conditions of animals.

### **The Contemporary Courses of the Common Agricultural Policy**

Along with the analysis of the recent courses of the CAP I keep to the Communication from the Commission on Simplification and Better Regulation for the Common Agricultural Policy published in Brussels on the 19<sup>th</sup> October 2005 (COM(2005) 509 final version) and to the Council Regulation (EC) n° 1234/2007 of October 22<sup>nd</sup> 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) and from the so-called 'Health Check' of the CAP plan by the European Commission for streamlining and further modernising the European Union's Common Agricultural Policy. The target of the simplification is the increasing of the transparency and the comprehensibility of regulations, liberalization of their demands and cost reduction for companies. The main task of the 'Health Check' of the CAP is then more thorough review of regulations and supports within the frame of CAP and their adaptation for new tasks and opportunities in the EU formed by already 27 member states. With the Council Regulation (EC) n° 1234/2007 was created the integrated set of harmonised rules for all common market organizations.

### **The Common Agricultural Policy of EU and its relation to the CR**

For the subsidies system in the CR after its integration to the EU in 2004 is the Common Agricultural Policy and its documents the fundamental. In order to understand its influence I show for the visualisation purpose the structure of subsidies to agriculture in the CR in the following scheme.

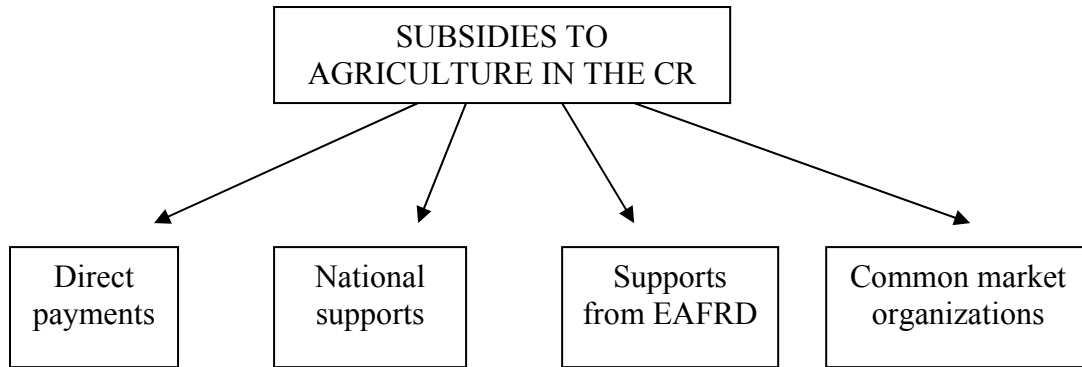


Fig. 1 The scheme of subsidies to agriculture in the CR

Source: Own elaboration

Impacts by reforms from 2003 are already largely implemented into the structure of subsidies policy on agriculture in the Czech Republic. Already since 2004 the single payment by area SAPS was introduced and with the new programming period 2007-2013 was strengthened also the target of development of the countryside by Rural Development policy. Cross-compliance will be claimable right from 2009. During last six months it is possible to observe also the influence of the newest courses of the CAP, namely the simplification through adoption of single application for payment.

Citation:

[1] THE TREATY ESTABLISHING THE EUROPEAN COMMUNITY (on line). 2008.  
[cit. 25.4.2008]. Available at:  
< [http://eur-lex.europa.eu/cs/treaties/dat/12002E/htm/C\\_2002325EN.003301.html](http://eur-lex.europa.eu/cs/treaties/dat/12002E/htm/C_2002325EN.003301.html)>

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